

Message Text

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ACTION ARA-10

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TO SECSTATE WASHDC PRIORITY 3047
INFO AMEMBASSY LA PAZ PRIORITY
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USCINCSO QUARRY HEIGHTS PRIORITY
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C O N F I D E N T I A L SECTION 1 OF 2 LIMA 11374

E.O. 11652: GDS
TAGS: PFOR, PINT, PE, CI
SUBJECT: AMBASSADOR DISCUSSES BORDER ISSUE AND SOVIET
PURCHASES WITH RANKING ARMY GENERAL

REFS: LIMA 9943, LIMA 11365

1. SUMMARY: DURING MY RECENT VISIT TO AREQUIPA I
CANDIDLY DISCUSSED SEVERAL MATTERS OF GROWING CONCERN
TO WASHINGTON WITH GENERAL JUAN SANCHEZ GONZALEZ, THIRD
MILITARY REGION COMMANDER. I TOLD SANCHEZ THAT THE
INJECTION OF THE BOLIVIA CORRIDOR ISSUE INTO PERU-CHILE
RELATIONS HAS LED US TO RECONSIDER OUR EARLIER ASSESSMENTS
THAT THE RISK OF CONFLICT BETWEEN THE TWO HISTORIC
ADVERSARIES WAS RELATIVELY LOW. WHILE REITERATING US
POLICY TO AVOID TAKING A POSITION ON THE CORRIDOR QUESTION
(EXCEPT TO WISH THE PARTIES WELL IN THEIR SEARCH FOR A
SOLUTION) I SUGGESTED THAT THE USG WOULD PROBABLY BE
WILLING TO CONSIDER A CONSTRUCTIVE ROLE IN THE
IMPLEMENTATION OF SUCH A SOLUTION. I ALSO APPRISED
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SANCHEZ OF THE HEIGHTENED CONCERN IN THE US AND ELSE-
WHERE IN THE HEMISPHERE CAUSED BY PERU'S PURCHASE OF
SOVIET AIRCRAFT, AND PARTICULARLY TO WHAT WE PERCEIVE
AS THE POSSIBILITY OF AN INCREASED LONG-RANGE SOVIET
INFLUENCE IN PERU. I TOLD HIM THAT PERU'S RELATIONS WITH
ITS HEMISPHERE NEIGHBORS WOULD BE IMPROVED IF THE GOP

WERE SOMEHOW TO ASSURE THEM THAT, HAVING SATISFIED ARMED FORCES MODERNIZATIONS GOALS, PERU WOULD NOW ESCHEW FURTHER PURCHASES. FINALLY, I RAISED BOTH THE MORAL AND IMAGE PROBLEMS WHICH HAVE ARISED FOR COUNTRIES THAT FAIL TO RESPECT FUNDAMENTAL HUMAN RIGHTS AND EXPRESSED THE HOPE THAT PERU WOULD AVOID SUCH PROBLEMS. END SUMMARY

2. DURING AN OFFICIAL VISIT TO AREQUIPA AND ESPECIALY AT A LUNCHEON FOR AUTHORITIES I HOSTED ON DECEMBER 13, I HAD OCCASION TO TALK CANDIDLY WITH PERU'S THIRD MILITARY REGION COMMANDER, DIV. GEN. JUAN SANCHEZ GONZALES, ABOUT CERTAIN US CONCERNS OF THE MOMENT. I REVIEWED WITH SANCHEZ RECENT DEVELOPMENTS IN PERU SUCH AS THE RESOLUTION OF THE MARCONA PROBLEM, THE INAUGURATION OF CUAJONE AND RELATED PRESIDENTIAL PRONOUNCEMENTS WHICH ARE PART OF A CONSIDERABLY IMPROVED CLIMATE FOR BI-LATERAL RELATIONS AND CLOSE US-PERUVIAN COOPERATION IN MANY AREAS. HOWEVER, I POINTED OUT TO THE GENERAL IN THE SPIRIT OF CANDOR THAT HAS MARKED OUR PREVIOUS CONVERSATIONS THAT THERE ARE CERTAIN DEVELOPMENTS OR SUBJECTS THAT HAVE LED TO SOME NEW AND INCREASED CONCERNS ON WASHINGTON'S PART. THESE WERE: (A) MOUNTING TENSIONS AND POSSIBLE BORDER CONFLICT WITH CHILE, (B) NEW AND INCREASED SUPPLIES OF SOVIET EQUIPMENT WITH ALL THAT THIS MIGHT IMPLY, AND (C) OUR ABIDING INTEREST IN HUMAN RIGHTS MATTERS.

3. ON THE POTENTIAL FOR CONFLICT WITH CHILE, I TOLD THE GENERAL THAT THE EMBASSY, IN RESPONSE TO A VERY UNDERSTANDABLE AND CONTINUING WASHINGTON INTEREST, HAD CONFIDENTIAL

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PREPARED PERIODIC ASSESSMENTS OF THIS SITUATION, I SAID THAT WE HAVE REGULARLY ASSESSED THE RISKS OF CONFLICT TO BE OF A FAIRLY LOW ORDER AND LARGELY ON THE BASIS OF A POSSIBLE ACCIDENT OR MISCALCULATION. I SAID THIS ASSESSMENT OF A LOW RISK FACTOR WAS STRENGTHENED BY PRESIDENT MORALES BERMUDEZ' RISE TO POWER AND BY MODERATING STATEMENTS AND ACTIONS BY HIM AND OTHER TOP PERUVIAN MILITARY LEADERS IN FAVOR OF PEACE, AGAINST AN ARMS RACE, AND TO MAINTAIN OPEN LINES OF COMMUNICATION WITH THEIR COUNTERPARTS IN CHILE AND OTHER NEIGHBORING COUNTRIES TO THESE ENDS.

4. NOW, HOWEVER, THE INJECTION OF THE BOLIVIA CORRIDOR ISSUE, WITH ALL OF ITS EMOTIONAL AND HISTORICAL OVERTONES, HAS LED TO AN INCREASE IN THE LEVEL OF OUR CONCERN ON THIS QUESTION. I SAID IT WAS US POLICY NOT TO GET INVOLVED IN THE CORRIDOR ISSUE WHICH REQUIRED A POLITICAL SOLUTION AGREED TO BY THE THREE PARTIES

CONCERNED. I ADDED MY OPINION, HOWEVER, THAT THE USG WOULD PROBABLY BE DISPOSED TO CONSIDER PLAYING A HELPFUL ROLE IN THE IMPLEMENTATION OF ANY SOLUTION THAT THE COUNTRIES THEMSELVES MIGHT REACH. THIS COULD INCLUDE THE SEARCH FOR FINANCIAL AND TECHNICAL SUPPORT FOR PORT OR OTHER FACILITIES, ETC., THAT MIGHT BE INVOLVED.

5. UNFORTUNATELY, IT APPEARED TO ME THAT THE EMOTIONALISM AND ANIMOSITIES INVOLVED IN THIS PROBLEM HAVE BEEN INTENSIFIED RECENTLY AS A RESULT OF THE EXCHANGES THAT HAVE TAKEN PLACE, ESPECIALLY BETWEEN CHILE AND PERU, AND IT SEEMED TO ME THAT THERE WAS A DYNAMIC IN THE SITUATION WHICH HAD SOME OF THE ELEMENTS OF A GREEK TRAGEDY. INSAID THE LAST THING THAT PERU, CHILE, THE US OR ANY OTHER COUNTRY IN THE HEMISPHERE NEEDS IS A BORDER CONFLICT, AND CERTAINLY EVERY EFFORT SHOULD BE MADE TO AVOID SUCH A POSSIBILITY.
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6. GENERAL SAN HEZ, WHOM I HAVE KNOWN QUITE WELL IN HIS PREVIOUS CAPACITIES IN LIMA INCLUDING AS HEAD OF ARMY INTELLIGENCE, RECEIVED MY COMMENTS IN THE SPIRIT IN WHICH THEY WERE MADE. HE SAID THAT PERU DOES NOT REPEAT NOT DESIRE CONFLICT WITH CHILE BUT ADDED THAT PERU WILL NEVER AGAIN LEAVE ITSELF OPEN TO THE TYPE OF INVASION IT SUFFERED AT THE HANDS OF CHILE IN THE WAR OF THE PACIFIC (SOME 100 YEARS AGO). HE REFERRED TO SERIOUS CHILEAN ECONOMIC PROBLEMS AND SAID THAT IN HIS VIEW THE CHILEAN PRESS SEEMED TO BE IN THE PROCESS OF WHIPPING UP A WAR PSYCHOSIS WHICH HE CONTRASTED TO THE VERY REASONABLE TREATMENT IN THE PERUVIAN PRESS OF MATTERS RELATING TO CHILE. HE SAID THAT NEVERTHELESS, THE LINES OF COMMUNICATION ARE BEING KEPT OPEN BETWEEN THE TWO COUNTRIES, ADDING THAT HIS RELATIONS WITH HIS CHILEAN COUNTERPART ON THE OTHER SIDE OF THE BORDER ARE FRIENDLY, CLOSE AND MARKED BY A FREQUENT EXCHANGE OF MESSAGES AND VISITS.

7. ON THE QUESTION OF SOVIET EQUIPMENT, I POINTED OUT TO GENERAL SANCHEZ THE VERY CONSIDERABLE CONCERN THAT THESE PURCHASES HAVE CAUSED IN WASHINGTON AND OTHER HEMISPHERE CAPITALS, PARTICULARLY AMONG PERU'S IMMEDIATE NEIGHBORS. I SAID THAT OF COURSE NONE OF US WOULD PRESUME TO TELL PERU WHERE TO BUY EQUIPMENT FOR ITS MODERNICATION NEEDS, AND WE UNDERSTOOD THAT THE TERMS OF SALE WERE VERY ATTRACTIVE, BUT HE AND THE GOP MUST RECOGNIZE THE DISQUIETING AND IMBALANCING EFFECT OF THESE SOVIET PURCHASES, ESPECIALLY OF THE SU-22 AIRCRAFT.

ICSAID IT SHOULD BE OBVIOUS TO ALL THAT THE SOVIETS
ARE MAKING AN IMPORTANT POLITICAL MOVE IN THESE

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USCINCSO QUARRY HEIGHTS PRIORITY
SECDEF PRIORITY

C O N F I D E N T I A L SECTION 2 OF 2 LIMA 11374

SEMI-CONCESSIONAL OFFERS DESIGNED TO KEEP AND TO
STRENGTHEN THEIR ONE REMAINING FOOTHOLD IN SOUTH
AMERICA. UNLIKE THE CABANS WHO WOULD LIKE NOTHING
BETTER THAN TO STIMULATE A CONFLICT BETWEEN PERU AND
CHILE, THE SOVIETS ARE PLAYING A LONG-TERM GAME
DESIGNED TO GAIN INFLUENCE WITHIN THE PERUVIAN ARMED
FORCES OVER A 20 OR 30 YEAR PERIOD.

8. GENERAL SANCHEZ TOOK NO REAL EXCEPTION TO THIS LINE
OF REASONING, AND MADE AN EFFORT TO ASSURE ME THAT
PERU WAS ALERT TO THE SOVIET STRATEGY AND DETERMINED
TO CONTROL POTENTIAL SOVIET POLITICAL INFLUENCE. HE
RECOGNIZED THE DISQUIETING EFFECT OF MILITARY PURCHASES
FROM THE SOVIETS BUT MADE THE USUAL PERUVIAN ARGUMENT
THAT THE USSR WAS THE ONLY PLACE THE PERUVIANS COULD
GET SOME OF THE EQUIPMENT THEY NEED AT COSTS AND IN THE
TIME FRAME DESIRED. I TOLD HIM VERY FRANKLY THAT IN
MY VIEW IT WAS TIME FOR PERU TO DO SOMETHING THAT
WOULD TEND TO REASSURE ITS NEIGHBORS IN THE HEMISPHERE
OF ITS PEACEFUL INTENTIONS ESPECIALLY CONCERNING
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ITS MILITARY RELATIONS WITH THE SOVIET UNION. AS AN EXAMPLE, I SAID, SOME ASSURANCE TO HEMISPHERE GOVERNMENTS THAT THE GOP, WHICH HAS BECOME MORE MODERATE AND LESS STRIDENTLY REVOLUTIONARY AND SEEMS NOW TO HAVE PROVIDED FOR MOST OF THE MODERNIZATION NEEDS OF

ITS THREE SERVICES, INTENDS TO COOPERATE TO AVOID AN ARMS RACE AND WILL ESCHEW FURTHER SIGNIFICANT ARMS PURCHASES FROM THE USSR MIGHT GO A LONG WAY TO CALM FEARS. GENERAL SANCHEZ SAID THAT IN HIS VIEW\$- AND HE POINTED OUT THAT HE IS ONE OF THE TOP THREE OF FOUR GENERALS IN THE PERUVIAN ARMY-- THIS WOULD BE A FAIR ASSESSMENT OF THE SITUATION. I TOLD THE GENERAL THAT I WOULD BE PREPARED TO DISCUSS THESE MATTERS WITH HIM FURTHER DURING HIS FREQUENT VISITS TO LIMA, EMPHASISING OUR ABIDING INTEREST IN PEACE, ECONOMIC AND SOCIAL DEVELOPMENT AND COOPERATION TO AVOID AN ARMS RACE AND TO REDUCE TENSIONS.

9. I MENTIONED TO THE GENERAL THAT HUMAN RIGHTS ISSUES ARE INCREASING IMPORTANT IN THE CONTEXT OF OVER-ALL US POLICY AND EXPRESSED MY HOPE THAT PERU WOULD CONDUCT ITSELF IN A MANNER TO AVOID BECOMING THE SUBJECT OF INTERNATIONAL CONCERN AND APPREHENSION IN THIS AREA. I SAID THAT IN ADDITION TO THE IMPORTANT MORAL ISSUE INVOLVED THERE IS AN IMAGE PROBLEM HERE THAT PERU SHOULD ESCHEW. THE GENERAL AGREED.

10. COMMENT: GIVEN GENERAL SANCHEZ' KEY POSITION IN CHARGE OF PERU'S VITAL THIRD MILITARY REGION WHICH COVERS THE PERUVIAN SOUTH AND INCLUDES THE BORDERS WITH CHILE AND BOLIVIA, AS WELL AS HIS INFLUENCE IN THE PERUVIAN ARMY'S HIGH COMMAND AND POLICY COUNCILS, IT CAN BE EXPECTED THAT THIS CONVERSATION AND MY CONCERNS WILL REACH THE LEVEL OF ARMY CHIEF OF STAFF GENERAL RILQTER PRADA, AND POSSIBLY HIGHER. SOME CONFIDENTIAL

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OF THE SAME CONCERNS WERE DISCUSSED WITH PRIME MINISTER ARBULU AND GENERAL RICHTER DURING THE VISIT OF GENERALS CAVAZOS AND WAGGENER LAST OCTOBER (LIMA 9943). IT IS TO BE HOPED THAT THIS DIALOGUE CAN BE MAINTAINED (HERE, IN WASHINGTON AND OTHER CAPITALS) IN OUR CONTINUING EFFORT TO ASSESS THE PROBLEM, REDUCE TENSIONS AND AVOID MISCALCULATION AND CONFLICT.

11. IN HIS CLOSING REMARKS BEFORE THE GRADUATING CLASSES

OF PERU'S SENIOR SERVICE COLLEGE YESTERDAY (DECEMBER 16)
PRESIDENT MORALES BERMUDEZ MADE AN IMPROMPTU AND EMOTIONAL
DISCLAIMER TO ANY BELLICOSE INTENTIONS ON PERU'S PART.
HE SAID THAT PERU WANTED PEACE AND ECONOMIC DEVELOPMENT
AND EMPHASIZED THAT ITS MILITARY MODERNIZATION WAS NO
DIFFERENT FROM THAT OF OTHER HEMISPHERE COUNTRIES AND
DESIGNED FOR LEGITIMATE DEFENSE PURPOSES AND WAS NOT THE
RESULT OF OR SUBJECT TO INFLUENCE FROM OTHER COUNTRIES.
IT IS PROBABLE THAT THIS VEHEMENT DISCLAIMER (LIMA 11365)
WAS SPARKED BY THE CURRENT SPATE OF RUMORS AND CONCERNS
CIRCULATING IN PERU AND NEIGHBORING COUNTRIES ABOUT A
POSSIBLE PERUVIAN ARMS BUILDUP AND TROOP MOVEMENTS. IT
WAS DESIGNED TO REASSURE PERU'S NEIGHBORS OF
THIS COUNTRY'S PEACEFUL INTENTIONS. IT IS TO BE HOPED
THAT NAVY MINISTER PARODI'S CURRENT FIVE-DAY VISIT
TO CHILE WILL BE USED FOR THE SAME PURPOSE.
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